



# TRITON POWER

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Eleanor Wood  
Deputy Director for Market Design  
Energy Systems Management & Security  
10 South Colonnade  
Canary Wharf  
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E14 4PU

24 June 2022

Dear Eleanor,

## **Locational Pricing Assessment**

I write regarding the requested call for input on the Locational Pricing assessment.

The details provided thus far are limited, and as such it is difficult to determine whether such zonal or nodal market designs would ultimately be of benefit to the consumer. What we can see is that the analogies to other markets already operating in this way are not strictly comparable – they are operating with different levels of complexity, technologies, and were initiated without the backdrop of other complex evolutions - not least of which are the changes required to support net zero ambitions.

Equally, parochially, we cannot yet determine what such a significant change would mean for our own company. What we can be certain of is that against a backdrop of such radical change, the increased level of market uncertainty would mean investment cases for our planned Hydrogen Fuel Switching as part of the Hydrogen to Humber (H2H) project would become even more reliant on government support and bilateral arrangements – as the forward market views and sensitivities on which such investments can be planned and approved is so fundamentally shifted.

At a wider UK level we would expect similar views from others, and fear this would lead to an investment hiatus not only on net zero transitions, but on the necessary investments in UK power generation stability and security of supply which has for so long been neglected.

At a practical level, the delivery of such a radical re-design would require levels of IT project delivery discipline which have not been demonstrated by NGESO's track record in recent years. We would be very concerned that a half-baked journey was commenced and abandoned, wasting millions – or worse still, a substandard solution coming to fruition.

We would also ask that you consider wider industry impacts, including the manufacturing economies reliant on their energy pricing. The potential investment hiatus not just on power but on the downstream economies could seriously stunt the UK's post-pandemic recovery and levelling up agendas. Practically speaking, many industrial B2B contracts include linkages to published UK wholesale power prices which will need to be unwound and restructured in the event this transpires.



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We trust this has laid out our initial inputs on what has been a very limited set of proposals and justifications laid out by NGESO thus far.

Please do not hesitate to contact me should you have any questions.

Yours sincerely,

Mick Farr  
CEO